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# DEPARTMENT OF LIVESTOCK

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## STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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### BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA

### ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

#### STATE DOCUMENTS COLLECTION

AUG 09 2000

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#### PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

#### CLASS I PRICE FOR MILK TESTING 3.5%

\$17.65 /CWT

#### EFFECTIVE NOVEMBER 1, 1998:

The minimum price to pay milk producers, under ARM 32.24.301, is \$17.65 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differenti thirty-two cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$3.20.

#### CLASS I BUTTERFAT PRICE PER POUND

\$3.20 /LB

#### PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

#### CLASS II PRICE FOR MILK TESTING 3.5%

\$18.88 /CWT

Average spray process dry milk solids

|                   |   |            |
|-------------------|---|------------|
| price per pound   | = | \$1.12750  |
| Multiplied by 8.2 | x | <u>8.2</u> |

\$9.24550

\$9.24550

PLUS +

Last quote of the month for Grade AA butter  
minus a differential of \$.0895 = \$2.71050  
Multiplied by 4.2 x 4.2

\$11.38410

+ \$11.38410

LESS 8.5% ( \$20.62960 X .085)

\$20.62960

- \$1.75352

**\$18.87608**

Rounded to the nearest whole cent = \$18.88 /hundredweight.

**CLASS II BUTTERFAT PRICE PER POUND** \$3.00 /LB

|                                  |   |                    |   |           |
|----------------------------------|---|--------------------|---|-----------|
| Butterfat differential           | ( | \$2.71050 X .111 ) | = | \$0.30087 |
| Rounded to the nearest half cent |   |                    | = | \$0.300   |

**CLASS II VALUE OF ONE POUND OF SKIM** 0.086839378 /LB

|   |                        |        |                     |
|---|------------------------|--------|---------------------|
| Butterfat value per pound<br>for milk at 3.5% test:                         | =                      | \$3.00 |                     |
| Hundredweight price of milk testing 3.5%<br>LESS 3.5 pounds of butterfat at | \$3.00 per pound       | =      | \$18.88<br>\$10.500 |
| Value of 96.5 pounds of skim  |                        | =      | \$8.380             |
| Value of one pound of skim  | ( 8.380 / 96.5 pounds) | =      | \$0.08684 /LB       |

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(5)

**CLASS III BUTTERFAT PRICE PER POUND** \$2.44 /LB

|   |   |           |
|---|---|-----------|
| Last quote of the month for Grade AA butter |   |           |
| minus a difference of \$.0895               | = | \$2.71050 |
| LESS 10%                                    |   | \$0.27105 |
|   |   | \$2.43945 |

Rounded to the nearest whole cent = \$2.44 per pound.

**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED** 7.67376 /CWT

|  |           |
|--|-----------|
| Avg. spray process dry milk solid price/lb = | \$1.12750 |
| Multiplied by 8.2                            | 8.2       |
|  | \$9.24550 |
| LESS 17%                                     |           |
|  | \$1.57174 |
|  | \$7.67376 |

Rounded to the nearest whole cent = \$7.67 per hundredweight.

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%** \$15.95 /CWT

|                         |   |                       |               |
|-------------------------|---|-----------------------|---------------|
| 3.5 pounds of butterfat | x | \$2.44 per pound =    | \$8.540       |
| 96.5 pounds of skim     |   | \$0.07674 per pound = | \$7.405       |
|                         |   |                       | \$15.945 /CWT |

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marilyn M. Koontz  
 Marilyn M. Koontz, Program Specialist  
 Montana Milk Control Bureau

**BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES**

| CLASS I SKIM PRICE BASED ON<br>\$17.65 FOR 3.5% MILK<br>96.5 LBS = \$6.450 |           | CLASS II SKIM PRICE BASED ON<br>\$18.88 FOR 3.5% MILK<br>96.5 LBS = \$8.380 |           | CLASS III SKIM PRICE BASED ON<br>\$15.95 FOR 3.5% MILK<br>96.5 LBS = \$7.405 |           |
|--|-----------|---|-----------|--|-----------|
| TEST   | PRICE/LB  | TEST  | PRICE/LB  | TEST   | PRICE/LB  |
| 2.50   | \$0.06615 | 2.50  | \$0.08595 | 2.50   | \$0.07595 |
| 2.55   | \$0.06619 | 2.55  | \$0.08599 | 2.55   | \$0.07599 |
| 2.60   | \$0.06622 | 2.60  | \$0.08604 | 2.60   | \$0.07603 |
| 2.65   | \$0.06626 | 2.65  | \$0.08608 | 2.65   | \$0.07607 |
| 2.70   | \$0.06629 | 2.70  | \$0.08613 | 2.70   | \$0.07611 |
| 2.75   | \$0.06632 | 2.75  | \$0.08617 | 2.75   | \$0.07615 |
| 2.80   | \$0.06636 | 2.80  | \$0.08621 | 2.80   | \$0.07619 |
| 2.85   | \$0.06639 | 2.85  | \$0.08626 | 2.85   | \$0.07623 |
| 2.90   | \$0.06643 | 2.90  | \$0.08630 | 2.90   | \$0.07627 |
| 2.95   | \$0.06646 | 2.95  | \$0.08635 | 2.95   | \$0.07631 |
| 3.00   | \$0.06649 | 3.00  | \$0.08639 | 3.00   | \$0.07634 |
| 3.05   | \$0.06653 | 3.05  | \$0.08644 | 3.05   | \$0.07638 |
| 3.10   | \$0.06656 | 3.10  | \$0.08648 | 3.10   | \$0.07642 |
| 3.15   | \$0.06660 | 3.15  | \$0.08653 | 3.15   | \$0.07646 |
| 3.20   | \$0.06663 | 3.20  | \$0.08657 | 3.20   | \$0.07650 |
| 3.25   | \$0.06667 | 3.25  | \$0.08661 | 3.25   | \$0.07654 |
| 3.30   | \$0.06670 | 3.30  | \$0.08666 | 3.30   | \$0.07658 |
| 3.35   | \$0.06674 | 3.35  | \$0.08670 | 3.35   | \$0.07662 |
| 3.40   | \$0.06677 | 3.40  | \$0.08675 | 3.40   | \$0.07666 |
| 3.45   | \$0.06680 | 3.45  | \$0.08679 | 3.45   | \$0.07670 |
| 3.50   | \$0.06684 | 3.50  | \$0.08684 | 3.50   | \$0.07674 |
| 3.55   | \$0.06687 | 3.55  | \$0.08688 | 3.55   | \$0.07678 |
| 3.60   | \$0.06691 | 3.60  | \$0.08693 | 3.60   | \$0.07682 |
| 3.65   | \$0.06694 | 3.65  | \$0.08697 | 3.65   | \$0.07686 |
| 3.70   | \$0.06698 | 3.70  | \$0.08702 | 3.70   | \$0.07690 |
| 3.75   | \$0.06701 | 3.75  | \$0.08706 | 3.75   | \$0.07694 |
| 3.80   | \$0.06705 | 3.80  | \$0.08711 | 3.80   | \$0.07698 |
| 3.85   | \$0.06708 | 3.85  | \$0.08716 | 3.85   | \$0.07702 |
| 3.90   | \$0.06712 | 3.90  | \$0.08720 | 3.90   | \$0.07706 |
| 3.95   | \$0.06715 | 3.95  | \$0.08725 | 3.95   | \$0.07710 |
| 4.00   | \$0.06719 | 4.00  | \$0.08729 | 4.00   | \$0.07714 |
| 4.05   | \$0.06722 | 4.05  | \$0.08734 | 4.05   | \$0.07718 |
| 4.10   | \$0.06726 | 4.10  | \$0.08738 | 4.10   | \$0.07722 |
| 4.15   | \$0.06729 | 4.15  | \$0.08743 | 4.15   | \$0.07726 |
| 4.20   | \$0.06733 | 4.20  | \$0.08747 | 4.20   | \$0.07730 |
| 4.25   | \$0.06736 | 4.25  | \$0.08752 | 4.25   | \$0.07734 |
| 4.30   | \$0.06740 | 4.30  | \$0.08757 | 4.30   | \$0.07738 |
| 4.35   | \$0.06743 | 4.35  | \$0.08761 | 4.35   | \$0.07742 |
| 4.40   | \$0.06747 | 4.40  | \$0.08766 | 4.40   | \$0.07746 |
| 4.45   | \$0.06750 | 4.45  | \$0.08770 | 4.45   | \$0.07750 |
| 4.50   | \$0.06754 | 4.50  | \$0.08775 | 4.50   | \$0.07754 |

NOV 1, 1998

**PRODUCER CLASS I PRICE IN MONTANA**

Comparison of Class I price in 1997 &amp; 1998

**MONTANA MILK CONTROL BUREAU**

| Month     | 1997    | 1998    | Difference | % Change |
|-----------|---------|---------|------------|----------|
| January   | \$14.16 | \$15.51 | \$1.35     | 8.70%    |
| February  | \$13.89 | \$15.84 | \$1.95     | 12.31%   |
| March     | \$14.49 | \$15.80 | \$1.31     | 8.29%    |
| April     | \$15.01 | \$15.87 | \$0.86     | 5.42%    |
| May       | \$15.04 | \$15.36 | \$0.32     | 2.08%    |
| June      | \$13.99 | \$14.56 | \$0.57     | 3.91%    |
| July      | \$13.25 | \$13.43 | \$0.18     | 1.34%    |
| August    | \$13.29 | \$15.65 | \$2.36     | 15.08%   |
| September | \$13.41 | \$17.32 | \$3.91     | 22.58%   |
| October   | \$14.62 | \$17.54 | \$2.92     | 16.65%   |
| November  | \$15.34 | \$17.65 | \$2.31     | 13.09%   |
| December  | \$15.38 |         |            |          |
| Average   | \$14.32 | \$15.87 |            |          |

**PRODUCER CLASS I PRICE IN MONTANA**

Comparison of Class I price in 1997 &amp; 1998

